
SUMMARY

Skills-Based Hiring Improves HR Outcomes

Hiring for skills rather than education or experience can increase candidate diversity, reduce time-to-hire and on-boarding, and improve employee retention.

WHAT IT IS

Skills-based hiring is an approach to talent acquisition that emphasizes a candidate's skills rather than education and/or work experience. It identifies skills that are critical to success in a role and incorporates tangible and objective measures of skills into the hiring process.

Employers often use degree requirements as a proxy for skills in job postings and the hiring process. However, 66 percent of the working age population (age 25 to 64) in the US do not have a college degree. Thus, unnecessary degree requirements exclude significant pools of potential candidates. Likewise, years of experience can serve as an exclusionary filter. At a time when employers are facing a competitive hiring environment and struggling to find candidates from diverse backgrounds, emphasizing skills can allow employers to tap into previously overlooked talent pools by adopting an approach to talent acquisition that identifies the specific skills necessary for a position and assesses candidates skills based on those skills.

WHAT IT DOES

Skills-based hiring can help to eliminate bias in the hiring process and open it up to candidates with more diverse backgrounds. By hiring candidates that have the skills to be successful on the job, employers can also reduce time-to-hire and onboarding. Furthermore, research by LinkedIn has shown that employees without traditional four-year degrees stay at companies 34 percent longer than those with such a degree. Thus, taking a skills-based approach to hiring and removing unnecessary degree requirements can also increase employee retention.

In summary, benefits of skills-based hiring include:

- Accessing a larger, more diverse candidate pool
- Reducing time-to-hire and onboarding
- Reducing cost-to-hire
- Increasing retention

WHO USES IT

Accenture

Google

Microsoft

Amazon

IBM

Gap

JP Morgan

WHERE TO FIND OUT MORE

Urban.org

Opportunityatwork.com

HBR.org2

Amazonaws.com

SHRM.org2

Forbes.com

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Careerwisecolorado.org

Gallup.com

Workforcehub.com

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